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Released Pursuant to § 1000.27 (j) and § 1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JULY 1958

The Chattanooga Tennessee Order MINIMUM uniform producer prices per cwt.f.o.b. Pool Plants for milk testing 4.0% are: Base Milk \$4.62, Excess Milk \$3.01. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%. (See page 3) It is reported by Chattanooga Area Milk Producers Association that their negotiated Class I premium with area handlers has resulted in a producer Base blend of \$4.87 for 4.0% milk.

During July 76.9% of the total producer milk was priced in Class I at \$4.95 per cwt. with a butterfat differential of 7.5 cents and 23.1% was priced in Class II at \$3.05 per cwt. with a butterfat differential of 6.6 cents. The percent of producer skim and butterfat priced in Class I was 77.4% and 66.6% respectively. Base Milk was 91.3% and excess milk was 8.7% of the total producer deliveries. All excess milk and 15.8% of base milk was priced in Class II and 84.2% of base milk was priced in Class I.

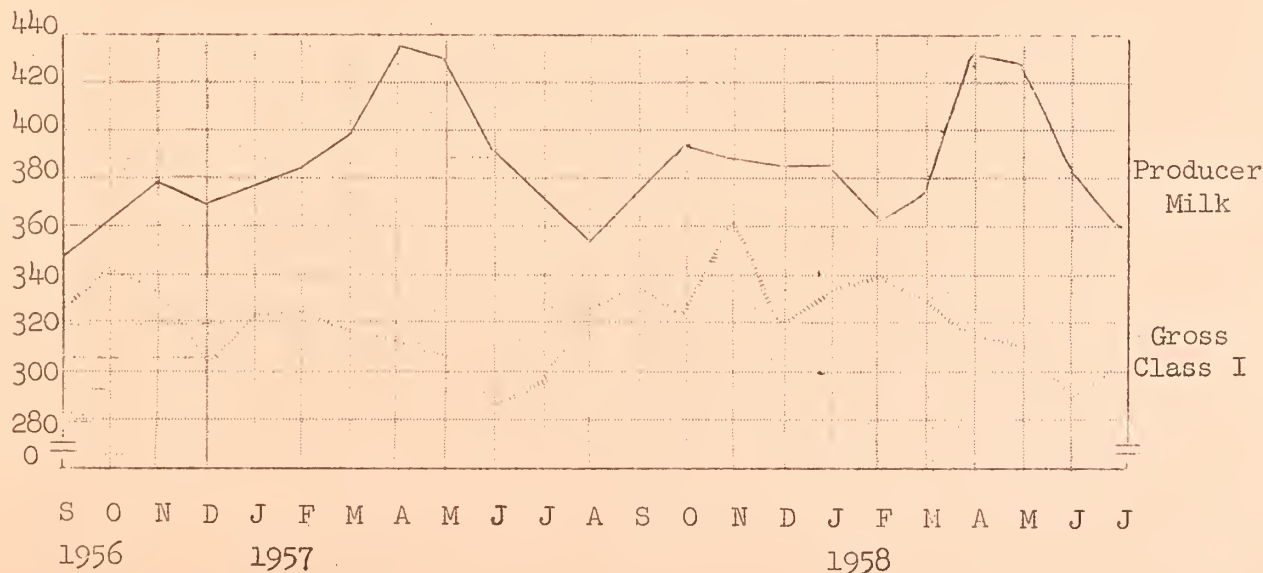
The daily average deliveries of producer milk during July decreased 6.0% compared with June and decreased 3.8% compared with July 1957. The daily average use of Class I milk increased 3.8% compared with June and increased 1.0% compared with July 1957. Daily average base deliveries was 84.9% of established base.

ACTIVITIES OF CHECK TESTERS JULY 1958; Plant Scales checked 6; Plant calls 122; Samples tested - Composite 2,019, Fresh 5,136, Finished Products 257.

NOTICE OF NEW MILK BASE FORMING PERIOD

Each producer for the Chattanooga marketing area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1959. The 1959 daily average base will be computed by dividing each producer's total Grade "A" milk deliveries to pool plants during Sept. 1958 through Jan. 1959 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From Aug. 1958 through Feb. 1959, producers will be paid a uniform blend price for their total milk deliveries. Milk bases should be in the CORRECT NAME of person or persons for whom BASE CREDIT is to be given.

DAILY AVERAGE PRODUCER RECEIPTS AS COMPARED TO GROSS CLASS I UTILIZATION
(1000 lbs. per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	July '58	June '58	July '57
Number of Plants (Pool and Non-Pool)	21	21	21
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	-	250,328	304,441
Producer Milk - Bulk Tank	-	132,157	69,106
Total Producer Milk Pounds	359,524	382,485	373,547
% July '58 compared with:	100.0	94.0	96.2
Other Source Milk Pounds	6,015	5,473	5,418
Other Order Milk Pounds	23,712	23,322	17,252
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>389,251</u>	<u>411,280</u>	<u>396,217</u>
% July '58 compared with:	100.0	94.6	98.2
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	239,527	233,409	239,316
Buttermilk	35,373	37,706	35,075
Chocolate Milk	7,061	6,738	7,373
Fluid Skim	5,846	6,084	4,632
Fluid Creams	1,794	1,817	1,888
Bulk to Non-Handlers	8,772	2,331	4,768
Class I Shrinkage	2,228	1,030	4,412
Inventory Reclass.	(533)	(93)	(238)
Overstated Sales	-0-	-0-	-0-
Total Class I Milk	300,068	289,022	297,226
% July compared with:	100.0	103.8	101.0
Class II Milk Pounds (Used to Produce)			
Butter	1,466	909	1,589
Cottage Cheese	12,226	12,026	9,858
Powdered and Condensed Milk	44,207	65,948	55,803
Ice Cream	18,503	28,191	24,144
Inventory Variation	2,109	6,896	(1,826)
Other	10,672	8,288	9,423
Total Class II Milk	89,183	122,258	98,991
% July '58 compared with	100.0	72.9	90.1
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS</u>	<u>389,251</u>	<u>411,280</u>	<u>396,217</u>
% Producer Milk of Gross Class I	119.8	132.3	125.7
% Delivered Base of Gross Class I	109.4	119.3	108.6
% Delivered Base priced in Class I	84.2	77.1	86.5
% Producer Milk Priced in Class I	76.9	69.4	74.7

AUGUST 1958 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	August '58	July '58	August '57
Basic Formula (See page 4)	\$3.33	\$3.30	\$3.53
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	-0.02	-0.10	.00
Class I Price, 4.0% Butterfat	<u>\$5.06</u>	<u>\$4.95</u>	<u>\$5.28</u>

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: June and July	
Supply: Lbs. Producer Milk (June 11,474,557 and July 11,145,255)	22,619,812
Demand: Lbs. Net Class I Milk (June 8,193,000 and July 8,795,027)	<u>16,988,027</u>
Utilization Percentage: Producer milk divided by Class I	133
Standard Utilization Percentage: Range 128 - 132	<u>132</u>
Net Deviation Percentage: Utiliz. % 133 minus Standard Utiliz. % 132 plus	1
Supply-Demand Adjustment: 2 cents x 1 percentage point	minus \$0.02

Since the supply in relation to the demand is more than the desired standard, the price is decreased 2 cents per hundredweight (2 cents x 1 percentage point).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JULY 1958
Based on 21 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt.Price @ Test	Value
Gross Class I		9,302,121	3.601		
Less Other Source		727,659	3.661		
Producer Milk Class I	76.9	8,574,462	3.596412	\$4.647309	\$398,481.74
Gross Class II		2,764,675	5.754		
Less Other Source		193,882	2.151		
Producer Milk Class II	23.1	2,570,793	6.025806	4.387032	112,781.51
Total Prod. (Cl. I + Cl. II)	100.0	11,145,255	4.156782		511,263.25
Add Fractional Adjustment					.05
Add Compensatory Payment Value					81.68
Add Overage Value					-
Add Inventory Reclass. Value					6.62
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,114.16
TOTAL VALUE AT TEST		11,145,255	4.156782		516,465.76
Less Test Over 4% @ 7.2¢ per point		11,145,255	.156782	0.112883	12,581.10
TOTAL PRODUCER MILK VALUE AT 4% TEST		11,145,255	4.0		503,884.66
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		964,817	\$3.05	\$29,426.92	
Total Excess Producer Milk		964,817	3.05	29,426.92	
Less Prod.-Settlement Fund Res. @ 4¢		964,817	.04		385.93
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		964,817	3.01		29,040.99
Value of Base Milk (Total less excess)		10,180,438	4.660485		474,457.74
Less Prod.-Settlement Fund Reserve		10,180,438	.040485		4,121.55
UNIFORM BASE PRICE f.o.b. PLANT - 4%		10,180,438	4.62		470,336.19

JULY 1958 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.2 ¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$3.90	\$2.29	4.0%	\$4.62	\$3.01	5.0%	\$5.34	\$3.73
3.05	3.936	2.326	4.05	4.656	3.046	5.05	5.376	3.766
3.1	3.972	2.362	4.1	4.692	3.082	5.1	5.412	3.802
3.15	4.008	2.398	4.15	4.728	3.118	5.15	5.448	3.838
3.2	4.044	2.434	4.2	4.764	3.154	5.2	5.484	3.874
3.25	4.08	2.47	4.25	4.80	3.19	5.25	5.52	3.91
3.3	4.116	2.506	4.3	4.836	3.226	5.3	5.556	3.946
3.35	4.152	2.542	4.35	4.872	3.262	5.35	5.592	3.982
3.4	4.188	2.578	4.4	4.908	3.298	5.4	5.628	4.018
3.45	4.224	2.614	4.45	4.944	3.334	5.45	5.664	4.054
3.5	4.26	2.65	4.5	4.98	3.37	5.5	5.70	4.09
3.55	4.296	2.686	4.55	5.016	3.406	5.55	5.736	4.126
3.6	4.332	2.722	4.6	5.052	3.442	5.6	5.772	4.162
3.65	4.368	2.758	4.65	5.088	3.478	5.65	5.808	4.198
3.7	4.404	2.794	4.7	5.124	3.514	5.7	5.844	4.234
3.75	4.44	2.83	4.75	5.16	3.55	5.75	5.88	4.27
3.8	4.476	2.866	4.8	5.196	3.586	5.8	5.916	4.306
3.85	4.512	2.902	4.85	5.232	3.622	5.85	5.952	4.342
3.9	4.548	2.938	4.9	5.268	3.658	5.9	5.988	4.378
3.95	4.584	2.974	4.95	5.304	3.694	5.95	6.024	4.414

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '57	\$4.69 <u>2</u>	\$4.96 <u>1</u>	\$3.00	7.1¢	\$5.28	7.7¢	\$3.04	6.8¢
Aug.	4.94 <u>1</u>	-	-	7.2	5.28	7.7	3.06	6.9
Sept.	4.98 <u>1</u>	-	-	7.3	5.29 <u>1</u>	7.7	3.61	7.0
Oct.	4.92 <u>1</u>	-	-	7.2	5.36 <u>1</u>	7.9	3.55	6.9
Nov.	5.06 <u>1</u>	-	-	7.1	5.30 <u>1</u>	7.8	3.53	6.8
Dec.	4.87 <u>1</u>	-	-	7.2	5.28 <u>1</u>	7.7	3.54	6.9
Jan. '58	4.94 <u>1</u>	-	-	7.1	5.29 <u>1</u>	7.8	3.56	6.8
Feb.	5.02 <u>1</u>	-	-	7.1	5.31 <u>1</u>	7.7	3.16	6.8
Mar.	4.90 <u>2</u>	5.02 <u>1</u>	3.06	7.4	5.32	7.7	3.10	6.8
Apr.	4.57 <u>2</u>	4.83 <u>1</u>	2.98	7.2	5.37	7.7	3.02	6.6
May	4.35 <u>2</u>	4.58 <u>1</u>	2.94	7.2	5.08 <u>1</u>	7.5	2.98	6.6
June	4.33 <u>2</u>	4.48 <u>1</u>	2.95	7.2	4.96 <u>1</u>	7.5	2.99	6.6
July	4.48 <u>2</u>	4.62 <u>1</u>	3.01	7.2	4.95 <u>1</u>	7.5	3.05	6.6
Aug.	-	-	-	-	5.06 <u>1</u>	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Cond. Mid-West	Chi.92 ^o Butter	Chi.Area Powders	Wisc. Cheese	Cond.	Butter	Butter 4 Tenn.		
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	Mid-West	Cheese	Powder	Milk Mfg.	
July '57	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54
Jan. '58	3.133	59.375	14.535	33.250	3.49	3.24	3.56	3.19	3.56
Feb.	3.110	59.375	14.460	33.250	3.47	3.24	3.53	3.16	3.53
Mar.	3.082	59.308	14.360	32.812	3.45	3.23	3.52	3.10	3.52
Apr.	2.956	57.750	13.405	31.057	3.32	3.13	3.37	3.02	3.37
May	2.896	57.661	12.525	31.727	3.26	3.14	3.33	2.98	3.33
June	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)											
Month	GROSS POUNDS MILK ³					Number		Deliveries Per			Prod.
	Gross	Prod.	Prod..	Base	Gross	of		Farm -- Pounds		Milk	
	Cl. I	Cl. I	Repts.	Repts.	Repts.	Hdlr.	Prod.	Prod.	Base-Exc.	Test %	
July '57	297,226	279,211	373,547	322,809	396,217	21	792	472	408	64	4.19
Aug.	323,309	304,631	355,094	-	379,066	21	806	441	-	-	4.19
Sept.	335,146	316,740	376,370	-	401,147	21	811	464	-	-	4.29
Oct.	322,887	304,432	395,314	-	417,532	21	812	487	-	-	4.49
Nov.	361,772	344,415	389,501	-	411,005	21	811	480	-	-	4.49
Dec.	319,015	301,282	386,242	-	408,374	22	810	477	-	-	4.50
Jan. '58	334,105	316,521	386,539	-	407,478	22	804	480	-	-	4.48
Feb.	337,688	319,166	363,397	-	385,591	22	802	453	-	-	4.46
Mar.	329,556	310,766	376,283	353,017	399,958	23	799	471	442	29	4.30
Apr.	315,935	292,181	431,141	371,344	458,881	23	798	540	465	75	4.22
May	311,241	287,162	429,247	369,216	457,833	21	791	543	467	76	4.21
June	289,022	265,626	382,485	344,709	411,280	21	787	486	438	48	4.11
July	300,068	276,595	359,524	328,401	389,251	21	782	460	420	40	4.16

¹/ Excludes Premium²/ For statistics only³/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base